PSC NO: 220 ELECTRICITY LEAF: 199.1 NIAGARA MOHAWK POWER CORPORATION REVISION: 3 INITIAL EFFECTIVE DATE: DECEMBER 1, 2011 SUPERSEDING REVISION: 2 STAMPS: Issued in Compliance with Order issued November 21, 2011 in Case No. 11-E-0321.

GENERAL INFORMATION

36. Net Metering for Solar Electric Generating Equipment, Farm Waste Electric Generating Equipment, Micro-Combined Heat and Power Generating Equipment, and Fuel Cell Electric Generating Equipment

36.6.4 For Residential Solar and Farm Waste Customer-Generators:

36.6.4.1 At the end of the net metering year (12 month period), defined as the 12 month period after the effective date of Form "K," or the alternative anniversary date selected by the Customer-Generator in accordance with Rule 36.6.4.1.1 below, and each 12 month period thereafter, any accumulated excess kWh production shall be converted to a cash value and paid to the Customer-Generator at the appropriate service classification's average avoided cost for the applicable period as calculated under Special Provisions C of S.C. No. 6 of this Tariff.

36.6.4.1.1 All eligible Residential Solar and Farm Waste Customer-Generators will have a one-time option to select an individual anniversary date for their annual cashout of any accumulated excess kWh production.

36.6.5 For Non-Residential Solar Customer-Generators:

36.6.5.1 Customer-Generators will continue to have any excess kWh production converted to its equivalent value and carried over to each proceeding month on an ongoing basis.

36.6 Solar, Farm Waste Customer-Generators, Micro-Combined Heat and Power and Fuel Cell Customer-Generators may not offset metering credits against bills for usage metered at locations other than the net metering delivery point with the exception of Rule No. 36.7 below.

36.7 Remote Net Metering for Non-Residential Solar Electric Customer-Generators and Farm Waste Customer-Generators

To qualify for remote net metering, the Customer-Generator must be:

- 1) A non-residential Solar Electric Customer-Generator, as defined in Rule 36.1.2; or
- 2) A Farm Waste Customer-Generator, as defined in Rule 36.1.3

A Customer-Generator who qualifies per the above may designate all or a portion of their excess net metering credits generated by such equipment to any property owned or leased and in the same name as the Customer-Generator. The Company reserves the right to obtain proof that all accounts are held by the qualifying Customer-Generator. For purposes of this Rule 36.7, the account where the generator is connected will be defined as the host account and those eligible accounts that are designated by the host account to receive excess net metering credits will be defined as satellite accounts.